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PUBLIC SERVICE
COMMISSION

March 7, 2013

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: Case No. 2012-00169

Dear Mr. Derouen:

In accordance with Ordering paragraph 5 of the Commission's Order dated December 20, 2012 in the above-referenced case, please find enclosed for filing with the Commission East Kentucky Power Cooperative, Inc.'s ("EKPC") monthly status report relating to EKPC's integration into the PJM Interconnection, LLC ("PJM").

On February 12, 2013, EKPC's Board of Directors granted final approval for EKPC to join PJM. This board resolution is provided on Attachment 1 to this document.

In February 2013, EKPC participated in the Auction Revenue Rights ("ARRs") auction. On March 1, 2013, PJM posted the auction results on their web site. The results showed that 1122.3 MW and 11.9 MW of ARR's cleared the Stage 1A nominations from the Spurlock source to EKPC sink and from the Spurlock source to the Duke sink, respectively. The Stage 1B auction began March 4 and results will be posted March 7. In Stage 1B, EKPC will nominate 350.7 MW and 1.3 MW from various sources to the EKPC sink and from various sources to the Duke sink, respectively. EKPC will convert these ARR's to Financial Transmission Rights (FTRs) during the FTR auction, which begins April 2, 2013.

Please contact me if you have any questions.

Very truly yours,



Ann F. Wood
Director, Regulatory Services

Attachment

**FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a regular meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held at the Headquarters Building, 4775 Lexington Road, located in Winchester, Kentucky, on Tuesday, February 12, 2013, at 9:30 a.m., EST, the following business was transacted:

Review and Request Approval to Join PJM Interconnection, LLC

After review of the applicable information, a motion to approve to join PJM Interconnection, LLC, was made by Strategic Issues Committee Chairman Lonnie Vice, and passed by the full Board to approve the following:

Whereas, the Board of Directors (“Board”) of East Kentucky Power Cooperative, Inc. (“EKPC”), by and through its Strategic Issues Committee, has performed a complete and thorough analysis of the risks and benefits related to membership in the PJM Interconnection, LLC (“PJM”);

Whereas, EKPC management, as directed by its Board, conducted negotiations with PJM with the parties developing a final set of terms and conditions that reasonably address EKPC’s interests and issues;

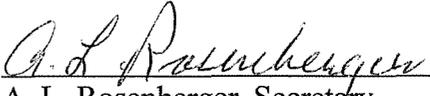
Whereas, EKPC has to date sought and received all appropriate regulatory approvals to join PJM and is in position to receive all additional approvals that are required; and

Whereas, EKPC and ACES have each provided updated cost/benefit analyses which support EKPC joining PJM; now, therefore be it

Resolved, that the Board of Directors hereby grants final approval for EKPC to join PJM and delegates authority to EKPC management to seek any additional regulatory or other approvals that may be necessary to fully integrate its operations into PJM beginning on June 1, 2013, and to take any and all other actions that may be necessary or desirable to accomplish such integration.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 12th day of February 2013.


A. L. Rosenberger, Secretary

Corporate Seal